S8750-1
3/13/90

WISCONSIN ECONOMIC INDICATORS

JANUARY 1990

DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCES
L1	Composite Index of Leading Indicators	Wi. Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wi. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wi. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wi. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wi. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wi. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wi. Dept. of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Security Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wi. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wi. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wi. Dept. of Health and Social Services
X2	Death Registrations	Wi. Dept. of Health and Social Services
X3	Natural Net Gain in Population	Wi. Dept. of Health and Social Services
X4	Marriage Registrations	Wi. Dept. of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wi. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wi. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the census Method 11 Seasonal Adjustment Program.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading of coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically.

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WISCONSIN ECONOMIC INDICATORS

SUMMARY FOR DECEMBER

COMPOSITE INDEX

Wisconsin's Composite Index of leading economic indicators rose by 4.6 percentage points in December, signifying a still resilient economy. At a 107.4 point level, the index is at its highest level since last May. The Composite Index has averaged 106.7 throughout 1989.

An increase in the overtime hours in manufacturing and a net gain in business telephone access lines boosted the index in December, while a large increase of initial claims for unemployment compensation prevented more growth.

LEADING INDICATORS

Production workers in Wisconsin's manufacturing industries added 1.2 more hours per week on the job in December. That is a large increase in the average workweek ... about half of that growth would be normal.

Total employment in manufacturing did decrease in December, but by less than a normal seasonal amount. The large increase in the workweek coupled with the less-than-normal employment reduction translates to growth of labor input into manufacturing.

The average weekly overtime hours increased eight-tenths in December. The overtime average normally increases only slightly in that month. December's average of 4.3 hours per week is the second highest of the year, surpassed only in September.

The average weekly initial claims for unemployment compensation increased to 14,995 in December. That is approximately a 5,500 claim increase from one month earlier, and is the highest level since December of 1986. December usually does have the highest initial claims count of any month, but a normal seasonal increase would have amounted to about 2,500 this month.

The number of job openings received by Job Service offices throughout the state totaled 4,163. Nearly ninety percent of the 1,246 decrease for this month is due to the normal seasonal trend.

The number of new business incorporations grew to 678 this month. An increase is normal in December, but this month's exceeds the usual trend.

The net gain in business telephone access lines increased sixty percent, well above the usual December growth. And the number of commercial and industrial building plans examined decreased by 194, about normal for now.

Section

A WISCONSIN ECONOMIC INDICATORS

	Unit	Monthly Series			% Change		Avg.
		Latest Month		Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago	1988
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	Index	DEC	107.4	102.8	103.7	4.5%	3.6%	97.9
L2 AVG. WORK WEEK, MFG.								
Unadjusted	Hours	DEC	42.1	40.9	42.2	2.9%	-0.2%	41.7
Seasonally Adjusted			41.5	40.3	41.6	3.0%	-0.2%	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	Hours	DEC	4.3	3.5	4.3	22.9%	0.0%	4.1
Seasonally Adjusted			4.0	3.3	4.0	21.2%	0.0%	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	Number	DEC	14995	9500	12808	57.8%	17.1%	6833
Seasonally Adjusted			8653	6929	7390	24.9%	17.1%	
L5 TOTAL JOB OPENINGS RECEIVED								
Unadjusted	Number	DEC	4163	5409	5076	-23.0%	-18.0%	8063
Seasonally Adjusted			5718	5950	6973	-3.9%	-18.0%	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	Number	DEC	678	507	772	33.7%	-12.2%	595
Seasonally Adjusted			615	583	701	5.5%	-12.3%	
L7 NET GAIN IN BUSINESS TELEPHONE ACCESS LINES								
Unadjusted	Number	DEC	3177	1938	1982	63.9%	60.3%	2471
Seasonally Adjusted			3099	2583	2134	20.0%	45.2%	
L8 BUILDING PLANS EXAMINED								
Unadjusted	Number	DEC	483	677	496	-28.7%	-2.6%	613
Seasonally Adjusted			648	649	666	-0.2%	-2.7%	
COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	Index	DEC	92	97	103	-5.2%	-10.7%	97
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	Percent	DEC	4.3	4.1	3.7	.....	.....	4.3
Seasonally Adjusted			4.4	4.2	3.8	.....	.....	
C3 NATURAL GAS SALES								
Unadjusted	Mil.	NOV	259.9	140.7	221.4	84.7%	17.4%	190.9
Seasonally Adjusted	Therms		213.2	179.2	181.6	19.0%	17.4%	
C4 NEW CAR REGISTRATIONS								
Unadjusted	Number	DEC	11,907	10,242	13,222	16.3%	-9.9%	14734
Seasonally Adjusted			17,658	12,569	19,601	40.5%	-9.9%	
C5 ELECTRIC POWER SALES								
Unadjusted	Mil. KWH	NOV	3462.2	3437.1	2344.9	0.7%	47.6%	2397.3
Seasonally Adjusted			3599.0	3379.6	2437.7	6.5%	47.6%	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	Mil. $	DEC	95.3	94.2	190.7	1.2%	-50.0%	156.1
Seasonally Adjusted			98.9	95.5	197.9	3.6%	-50.0%	

Section

A WISCONSIN ECONOMIC INDICATORS

	Unit	Monthly Series				% Change		Avg
		Latest Month		Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago	1988
C7 MANUFACTURING EMPLOYMENT								
Unadjusted	Thous.	DEC	552.8	556.4	555.0	-0.6%	-0.4%	550.7
Seasonally Adjusted			557.8	557.0	559.9	0.1%	-0.4%	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	Dollars	DEC	$463.52	$446.63	$452.38	3.8%	2.5%	$443.48
Seasonally Adjusted			$451.77	$437.02	$440.74	3.4%	2.5%	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	Mil. $	SEPT	469.8	459.1	457.4	2.3%	2.7%	408.6
Seasonally Adjusted			448.7	454.6	436.8	-1.3%	2.7%	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	Thous.	DEC	74.4	81.1	73.6	-8.3%	1.1%	71.5
Seasonally Adjusted			76.5	76.5	75.6	0.0%	1.2%	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	Number	DEC	5245	5386	5469	-2.6%	-4.1%	5905
Seasonally Adjusted			5604	5965	5843	-6.1%	-4.1%	
X2 DEATH REGISTRATIONS								
Unadjusted	Number	DEC	3461	3265	3582	6.0%	-3.4%	3632
Seasonally Adjusted			3444	3373	3564	2.1%	-3.4%	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	Number	DEC	1784	2121	1887	-15.9%	-5.5%	2274
Seasonally Adjusted			2181	2568	2306	-15.1%	-5.4%	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	Number	DEC	1765	2608	2269	-32.3%	-22.2%	3468
Seasonally Adjusted			2986	3142	3839	-5.0%	-22.2%	
X5 CONSUMER PRICE INDEX			(Jun '89)	(Dec '88)	(Jun '88)			
Unadjusted (1982-1984 = 100)	Index	JUNE	120.3	117.2	114.5	2.6%	5.1%	115.9
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	Index	DEC	165	163	148	1.2%	11.5%	135
Seasonally Adjusted			164	162	147	1.2%	11.6%	
X7 NET GAIN IN RESIDENTIAL TELEPHONE ACCESS LINES								
Unadjusted	Number	DEC	1473	3541	1471	-58.4%	0.1%	2208
Seasonally Adjusted			2042	2186	2466	-6.6%	-17.2%	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	Number	DEC	311	1211	100	-74.3%	211.0%	107
Seasonally Adjusted			188	4984	60	-96.2%	213.3%	
X9 UNEMPLOYMENT COMPENSATION EXHAUSTEES								
Unadjusted	Number	DEC	9,193	9,169	9,859	0.3%	-6.8%	14102
Seasonally Adjusted			10,025	10,065	10,754	-0.4%	-6.8%	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES DECEMBER	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
Unadjusted					
CIVILIAN LABOR FORCE	2619.8	2631.0	2593.8	-0.4%	1.0%
Employment (incl. Labor Disputes)	2507.6	2523.8	2497.2	-0.6%	0.4%
Unemployment	112.2	107.2	96.5	4.7%	16.3%
Unemployment Rate	4.3	4.1	3.7	.....	.....
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2633.6	2632.3	2607.5	0.0%	1.0%
Employment (incl. Labor Disputes)	2517.7	2521.3	2507.8	-0.1%	0.4%
Unemployment	115.9	111.0	99.7	4.4%	16.2%
Unemployment Rate	4.4	4.2	3.8	.....	.....

WISCONSIN EMPLOYMENT ESTIMATES DECEMBER Unadjusted	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	2230.2	2234.4	2185.0	-0.2%	2.1%
Contract Construction	74.4	81.1	73.6	-8.3%	1.1%
Manufacturing	552.5	555.2	554.9	-0.5%	-0.4%
Transportation, Communication and Public Utilities	103.7	102.5	100.6	1.2%	3.1%
Electric, Gas and Sanitary Services	17.3	17.3	17.3	0.0%	0.0%
Wholesale Trade	113.3	112.8	108.8	0.4%	4.1%
Retail Trade	422.1	420.9	408.8	0.3%	3.3%
General Merchandise	53.1	52.5	51.5	1.1%	3.1%
Food Stores	60.7	60.7	59.4	0.0%	2.2%
Auto Dealers & Gas Stations	44.3	44.1	42.8	0.5%	3.5%
Finance, Insurance and Real Estate	120.8	120.3	116.5	0.4%	3.7%
Banking	28.2	28.2	27.6	0.0%	2.2%
Insurance	43.2	42.9	41.2	0.7%	4.9%
Service and Miscellaneous	497.9	496.4	484.8	0.3%	2.7%
Business Services	84.1	83.9	84.4	0.2%	-0.6%
Health Services	178.8	178.0	170.9	0.4%	4.2%
Hospitals	75.0	74.7	72.5	0.4%	3.4%
Private Education	26.9	27.1	26.0	-0.7%	3.5%
Social Services	35.8	35.7	36.1	0.3%	-0.8%
Government	343.3	342.5	335.0	0.2%	2.5%
State Government	88.3	89.6	85.5	-1.5%	3.3%
Local Government	225.4	224.2	219.8	0.5%	2.5%

UNITED STATES LABOR FORCE ESTIMATES JANUARY	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	124,397	124,546	123,265	-0.1%	0.9%
Employment (incl. Labor Disputes)	117,863	117,888	116,640	-0.0%	1.0%
Unemployment	6,535	6,658	6,625	-1.8%	-1.4%
Unemployment Rate	5.3%	5.3%	5.4%	.....	.....

MANUFACTURING EMPLOYMENT Unadjusted DECEMBER	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	552.5	555.2	554.9	-0.5%	-0.4%
All Manufacturing (Excl. Canning)	544.5	545.8	547.1	-0.2%	-0.5%
Durable Goods	336.2	337.4	343.3	-0.4%	-2.1%
Lumber and Wood Products (Excl. Furniture)	28.0	28.2	27.9	-0.7%	0.4%
Millwork, Plywood & Related	14.1	14.3	13.9	-1.4%	1.4%
Furniture and Fixtures	11.9	12.1	12.1	-1.7%	-1.7%
Stone, Clay, and Glass Products	8.8	9.5	8.8	-7.4%	0.0%
Primary Metal Industries	22.5	22.4	23.0	0.4%	-2.2%
Iron and Steel Foundries	11.6	11.5	11.6	0.9%	0.0%
Fabricated Metal Products	60.2	60.2	58.9	0.0%	2.2%
Fabricated Structural Metal Products	14.3	14.4	14.4	-0.7%	-0.7%
Metal Stampings	11.8	11.7	11.4	0.9%	3.5%
Machinery (Excl. Electrical)	109.8	109.2	109.6	0.5%	0.2%
Engines and Turbines	17.8	17.9	19.7	-0.6%	-9.6%
Farm Machinery and Equipment	13.3	13.2	13.1	0.8%	1.5%
Constr.,Mining, Material Handling Machinery	11.9	11.8	11.5	0.8%	3.5%
Metalworking Machinery and Equipment	14.9	14.8	13.7	0.7%	8.8%
Special Ind. Mach., Excl. Metalworking	14.8	14.6	14.2	1.4%	4.2%
Gen. Industrial Mach. and Equip.	15.2	15.2	14.8	0.0%	2.7%
Electrical Machinery, Equip. and Supplies	46.8	47.3	47.9	-1.1%	-2.3%
Electrical Industrial Apparatus	15.5	15.6	15.8	-0.6%	-1.9%
Transportation Equipment	25.1	25.4	32.0	-1.2%	-21.6%
Motor Vehicles and Equipment	18.3	18.2	25.5	0.5%	-28.2%
Instrument and Related Products	12.9	13.0	12.8	-0.8%	0.8%
Miscellaneous Manufacturing	10.2	10.1	10.3	1.0%	-1.0%
Nondurable Goods	216.3	217.8	211.6	-0.7%	2.2%
Food and Kindred Products	61.1	62.1	60.2	-1.6%	1.5%
Meat Products	14.9	14.8	14.6	0.7%	2.1%
Dairy Products	17.8	17.9	17.9	-0.6%	-0.6%
Canning and Preserving	8.1	9.0	7.8	-10.0%	3.8%
Textile Mill Products	4.0	4.0	4.5	0.0%	-11.1%
Apparel and Other Finished Products	7.1	7.2	7.4	-1.4%	-4.1%
Paper and Allied Products	50.5	50.5	49.7	0.0%	1.6%
Pulp and Paper Mills	30.0	30.1	29.9	-0.3%	0.3%
Misc. Converted Paper	11.4	11.4	11.2	0.0%	1.8%
Printing, Publishing and Allied Products	46.9	47.0	44.9	-0.2%	4.5%
Newspapers	13.7	13.7	12.9	0.0%	6.2%
Commercial Printing	21.4	21.3	20.5	0.5%	4.4%
Chemicals and Allied Products	10.3	10.5	10.5	-1.9%	-1.9%
Rubber and Misc. Plastics Products	30.2	30.1	27.9	0.3%	8.2%
Miscellaneous Plastics Products	25.5	25.4	23.4	0.4%	9.0%
Leather & Leather Products	6.0	6.2	6.3	-3.2%	-4.8%

Section

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS Unadjusted DECEMBER	Average Weekly Earnings			Average Weekly Hours		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$463.52	$446.63	$452.38	42.1	40.9	42.2
All Manufacturing (Excl. Canning)	465.21	448.67	453.65	42.1	40.9	42.2
Durable Goods	465.63	444.85	458.15	42.1	40.7	42.5
Lumber and Wood Products (Excl. Furniture)	321.79	316.95	327.22	39.1	38.7	40.8
Furniture and Fixtures	376.68	358.50	369.73	41.9	40.6	43.6
Stone, Clay, and Glass Products	444.56	446.89	442.56	44.5	44.6	46.1
Primary Metal Industries	477.63	441.50	484.70	43.9	41.3	45.9
Iron and Steel Foundries	494.43	449.78	499.68	46.6	43.0	48.0
Fabricated Metal Products	431.90	406.36	433.44	40.9	39.3	42.0
Fabricated Structural Metal Products	457.53	439.95	448.22	42.8	41.9	43.9
Metal Stampings	478.41	454.81	523.77	42.3	40.9	44.2
Machinery (Excl. Electrical)	548.34	518.50	503.28	44.4	42.5	43.2
Engines and Turbines	619.16	541.08	499.75	44.1	40.5	39.6
Farm Machinery and Equipment	525.39	512.37	525.73	42.2	40.6	42.5
Constr.,Mining, Material Handling Machinery	592.20	569.09	555.54	47.3	45.6	47.0
Metalworking Machinery and Equipment	573.20	557.70	563.62	44.4	42.9	45.6
Special Ind. Mach., Excl. Metalworking	568.40	533.14	545.02	46.4	43.7	45.8
Gen. Industrial Mach. and Equip.	464.88	461.74	481.54	42.3	41.9	44.3
Electrical Machinery, Equip. and Supplies	413.30	419.43	419.15	40.8	41.0	41.5
Electrical Industrial Apparatus	440.79	426.62	446.46	42.1	40.4	42.0
Transportation Equipment	615.30	580.28	615.91	41.8	39.8	41.7
Instrument and Related Products	355.88	346.30	381.00	37.5	36.3	41.1
Nondurable Goods	461.00	449.08	441.79	42.1	41.2	41.6
Food and Kindred Products	440.35	424.76	413.51	41.7	41.0	40.5
Meat Products	433.75	392.80	374.14	42.4	40.0	40.8
Dairy Products	415.07	420.65	400.39	41.3	41.2	40.2
Textile Mill Products	355.78	331.55	339.46	43.6	41.6	44.2
Apparel and Other Finished Products	265.98	266.50	262.36	37.2	38.4	39.1
Paper and Allied Products	616.25	610.19	594.74	46.3	45.3	45.4
Pulp and Paper Mills	674.00	671.81	642.60	47.1	46.3	45.9
Printing, Publishing and Allied Products	456.27	443.52	438.40	40.2	39.6	38.9
Chemicals and Allied Products	412.65	403.90	416.59	39.3	39.1	39.6
Rubber and Misc. Plastics Products	364.18	352.56	351.54	40.6	39.0	41.8
Leather & Leather Products	263.42	245.03	261.32	38.4	36.3	38.6

AVERAGE HOURLY EARNINGS Unadjusted DECEMBER	Including Overtime			Excluding Overtime		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$11.01	$10.92	$10.72	$10.48	$10.47	$10.21
All Manufacturing (Excl. Canning)	11.05	10.97	10.75	10.52	10.52	10.22
Durable Goods	11.06	10.93	10.78	10.57	10.55	10.27
Lumber and Wood Products (Excl. Furniture)	8.23	8.19	8.02	7.97	7.96	7.77
Furniture and Fixtures	8.99	8.83	8.48	8.74	8.68	8.08
Stone, Clay, and Glass Products	9.99	10.02	9.60	9.37	9.33	8.85
Primary Metal Industries	10.88	10.69	10.56	10.31	10.23	9.85
Iron and Steel Foundries	10.61	10.46	10.41	10.02	9.95	9.63
Fabricated Metal Products	10.56	10.34	10.32	10.09	9.99	9.77
Fabricated Structural Metal Products	10.69	10.50	10.21	10.20	10.12	9.52
Metal Stampings	11.31	11.12	11.85	10.75	10.65	11.01
Machinery (Excl. Electrical)	12.35	12.20	11.65	11.70	11.73	11.08
Engines and Turbines	14.04	13.36	12.62	13.19	13.02	12.31
Farm Machinery and Equipment	12.45	12.62	12.37	11.98	12.27	11.82
Constr.,Mining, Material Handling Machinery	12.52	12.48	11.82	11.66	11.84	11.12
Metalworking Machinery and Equipment	12.91	13.00	12.36	12.18	12.40	11.57
Special Ind. Mach., Excl. Metalworking	12.25	12.20	11.90	11.45	11.60	11.18
Gen. Industrial Mach. and Equip.	10.99	11.02	10.87	10.61	10.59	10.24
Electrical Machinery, Equip. and Supplies	10.13	10.23	10.10	9.77	9.88	9.67
Electrical Industrial Apparatus	10.47	10.56	10.63	10.04	10.32	10.19
Transportation Equipment	14.72	14.58	14.77	14.10	14.18	14.09
Instrument and Related Products	9.49	9.54	9.27	9.38	9.46	9.03
Nondurable Goods	10.95	10.90	10.62	10.35	10.36	10.11
Food and Kindred Products	10.56	10.36	10.21	9.91	9.80	9.71
Meat Products	10.23	9.82	9.17	9.48	9.30	8.66
Dairy Products	10.05	10.21	9.96	9.56	9.68	9.50
Textile Mill Products	8.16	7.97	9.68	7.70	7.66	7.17
Apparel and Other Finished Products	7.15	6.94	6.71	6.96	6.75	6.58
Paper and Allied Products	13.31	13.47	13.10	12.47	12.68	12.35
Pulp and Paper Mills	14.31	14.51	14.00	13.36	13.62	13.18
Printing, Publishing and Allied Products	11.35	11.20	11.27	N.A.	N.A.	N.A.
Chemicals and Allied Products	10.50	10.33	10.52	10.13	10.05	10.16
Rubber and Misc. Plastics Products	8.97	9.04	8.41	8.58	8.68	8.09
Leather & Leather Products	6.86	6.75	6.77	6.66	6.60	6.59

Section

C

SUMMARY OF AREA DATA

MANUFACTURING EMPLOYMENT Unadjusted DECEMBER	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
United States	19527.0	19600.0	19625.0	-0.4%	-0.5%
Wisconsin	552.5	555.2	554.9	-0.5%	-0.4%
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	51.9	52.0	52.6	-0.2%	-1.3%
Eau Claire (Eau Claire-Chippewa)	11.8	11.9	11.6	-0.8%	1.7%
Green Bay (Brown County)	26.3	26.3	25.1	0.0%	4.8%
Janesville-Beloit (Rock Co.)	17.2	17.4	18.6	-1.1%	-7.5%
Kenosha (County)	9.4	9.5	13.6	-1.1%	-30.9%
La Crosse (County)	10.6	11.1	11.1	-4.5%	-4.5%
Madison (Dane County)	24.8	25.0	24.9	-0.8%	-0.4%
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	177.9	177.9	176.4	0.0%	0.9%
Racine (County)	26.5	26.3	26.1	0.8%	1.5%
Sheboygan (County)	N.A.	N.A.	N.A.		
Wausau (Marathon County)	14.1	14.0	13.6	0.7%	3.7%

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) DECEMBER	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings			
							Incl. Overtime		Excl. Overtime	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Latest Month	Month Ago
United States	$440.67	$433.78	$432.43	41.3	41.0	41.7	$10.67	$10.58	.....	.....
Wisconsin	463.52	446.63	452.38	42.1	40.9	42.2	11.01	10.92	$10.48	10.47
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	538.94	519.50	511.22	44.8	43.4	44.3	12.03	11.97	11.39	11.42
Eau Claire (Eau Claire-Chippewa)	472.19	454.26	432.89	43.4	42.1	40.8	10.88	10.79	10.42	10.41
Green Bay (Brown County)	501.06	485.20	491.73	42.0	40.4	42.5	11.93	12.01	11.17	11.32
Janesville-Beloit (Rock Co.)	601.12	590.82	579.92	44.2	43.0	44.1	13.6	13.74	12.98	13.19
Kenosha (County)	492.33	440.41	542.05	41.9	38.7	41.6	11.75	11.38	11.19	11.00
La Crosse (County)	385.76	395.85	386.32	40.1	40.6	41.9	9.62	9.75	9.32	9.42
Madison (Dane County)	429.29	410.23	419.33	41.8	40.9	41.6	10.27	10.03	9.87	9.71
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	506.75	477.51	482.47	42.8	41.2	41.7	11.84	11.59	11.18	11.08
Racine (County)	450.87	436.75	430.24	39.9	39.1	39.8	11.30	11.17	10.83	10.75
Sheboygan (County)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Wausau (Marathon County)	455.96	436.16	428.66	43.8	42.1	42.4	10.41	10.36	9.77	9.81

LEADING INDICATORS GAUGE ECONOMY

by Joseph Tumpach, Jr.

Eight continuous years of economic expansion throughout our nation have produced a high-enough employment rate and a low-enough unemployment rate to make us the envy of industrial nations throughout the world. While some of our multitude of industries have restructured, others, such as the service industries, have produced employment growth at rates never before achieved. Those entering business careers today have begun and completed high school and have likely earned four-year business degrees all during an expanding economy.

Records of swings in economic activity for the nation go back about one-hundred-fifty years. Recurring cycles of economic slow-down, recovery and expansion are a condition of our market economy. Over the long term, our economy grows because the expansion phase of the business cycle averages much longer than the recessionary phase. During the last fifty-five years, but excluding the unusually long current eight-year expansion, the length of recovery and expansion phases averages thirty-two months. Our current expansion is the longest on record. Business expansions, moreover, do not die of old age. With careful management of interest rates by the Federal Reserve system and with careful management of inventories by individual business enterprises, - now possible by computerized inventory control - the current economic expansion could continue for some time.

In Wisconsin, we think of economic expansions in terms of high employment levels and low unemployment rates. Large numbers of employed workers in a large number of diverse industries add up to a healthy economy. Increases of total employment coincides well with shifts in economic activity as a whole.

No official or precise definition of the various stages of the business cycle exist, though most people realize the effects of economic good times or hard times in their daily lives. Economists and analysts judge the state of the national economy by using data from over sixty series of economic activity. The number of each series that show a change in growth, the amount of growth in the monthly data of each series, and the number of industries experiencing a change are the guidelines. And the data are compared to that of past business cycle phases to check conformity with past cycle peaks and troughs.

Not all types of economic activity precisely fit the pattern of peaks and troughs which define business cycles. The amount of labor expended, for example, as measured by the average number of hours worked per week, will usually show consistent change well before the economy enters a trend. Similarly, growth or decline in the number of initial claims for unemployment compensation begin months before changes in economic growth as a whole. We watch these and other measures of economic activity for their value as barometers or leading indicators of the economy.

Wisconsin's Department of Industry, Labor and Human Relations collects and publishes data used for state economic indicators. Of the nearly thirty data series collected, about one-third are classified as leading indicators. While monthly fluctuations in the leading indicators do occur, consistent increases or decreases of three or more

months usually precede upswings or downswings in the state's unemployment rate. The lead time or advance warning of these indicators ranges from three to six months.

WISCONSIN'S LEADING INDICATORS

One reliable leading indicator of Wisconsin's labor situation is the average workweek in the state's manufacturing industries. Since adding or diminishing the number of hours worked per week is usually easier than hiring or laying off employees, manufacturers adjust their production workers' hours according to the flow of orders for manufactured goods and to the level of inventory accumulation. Changes in the level of orders and in inventory begin early in the chain of economic occurrences that lead to change in the economic trend.

Even in an expanding economy, the average workweek does vary from consistent growth. Economists familiar with the workweek series foresee continued economic expansion until the workweek declines for three consecutive months. Since last summer's increase, no consistent change has occurred in Wisconsin's manufacturing workweek, thus, no change in the economic trend is apparent. Too, the workweek, on a seasonally adjusted basis, averaged 41.5 hours during the first six months of 1989, and 41.4 hours during the last six ... nearly even.

Another of Wisconsin's leading indicators, the average weekly overtime hours in manufacturing, is closely related to the workweek and the causes of its leading indicator abilities paralleled those of the workweek. Like the workweek, the average overtime figures showed no consistent change in 1989. The October and November levels both decreased, but December's preliminary overtime average increased at an above normal pace.

Because, of course, the Wisconsin economy contains other than manufacturing industries, an indicator of the employment situation in the whole economy is necessary. The average weekly number of initial claims series will often exhibit a trend before the workweek numbers. It seems contradictory to say, on the one hand, that employers will adjust workers' hours before laying off, and to say, on the other, that the weekly initial claims, which result from layoffs, will point to a recovery or recession sooner. Remember, however, that the workweek figures derive only from manufacturing which employs only about a quarter of the total working population. In many other industries, many workers are salaried and do not work or are not paid for overtime work. In some jobs, the only way for an employer to control his labor factor is through layoff and hiring.

The initial claims average for Wisconsin was a bit higher in the second half of 1989, by about 360 per month. That, however, is slight. During 1984, the year that the economy expanded more rapidly than any time in the 1980's, second-half initial claims outnumbered first half by nearly 1200 per month.

By reflecting both cyclical and long-term growth or decline in an economy, the number of job openings fill an important roll as an indicator. In Wisconsin, we tabulate the number of job openings received by public Job Service offices throughout the state. Through all phases of the economy, employers place orders for workers, due to retirement and quits. Thus, again, it is consistent increase or decrease in the job openings that signals economic turning points. Though job orders in the last quarter of 1989 were below the number during the fourth quarter of one year earlier, the job openings did not either

increase or decrease for more than two straight months in 1989. Thus no change in the economic cycle is foreseen.

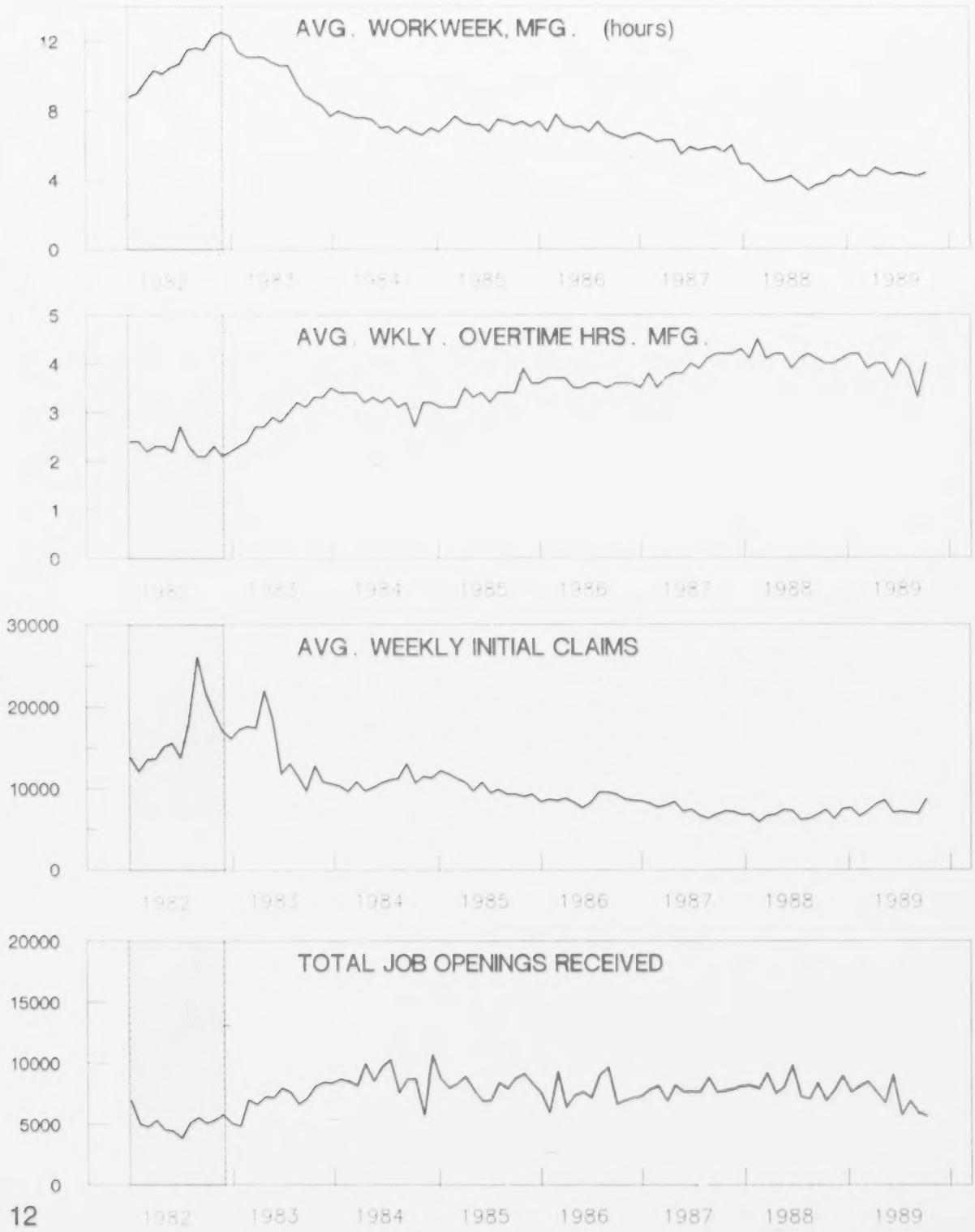
New business formation is a clue to employment growth. As new businesses are formed, grow and are incorporated, workers are hired. All new business incorporations are registered, each month, with Wisconsin's Secretary of State office. The rise or decline from month to month of the number of incorporations does provide an indication of employment change. During 1989, new business incorporations averaged over six-hundred per month. That is the largest montnly average in the past twenty-five years.

Also indicative of business formation is the net gain in business telephone access lines. The state's Public Service Commission collects the numbers, each month, from the telephone companies that serve each area of the state. The net figure means that the number of lines removed is subtracted from the number installed to show a bottom-line gain or loss. Since the number represents access lines, businesses that install extension phones to already existing lines are not included. The number, therefore, represents a growth of business sites. The business telephone access line series also set a twenty-five year record in 1989, averaging nearly 2800 net gains per month.

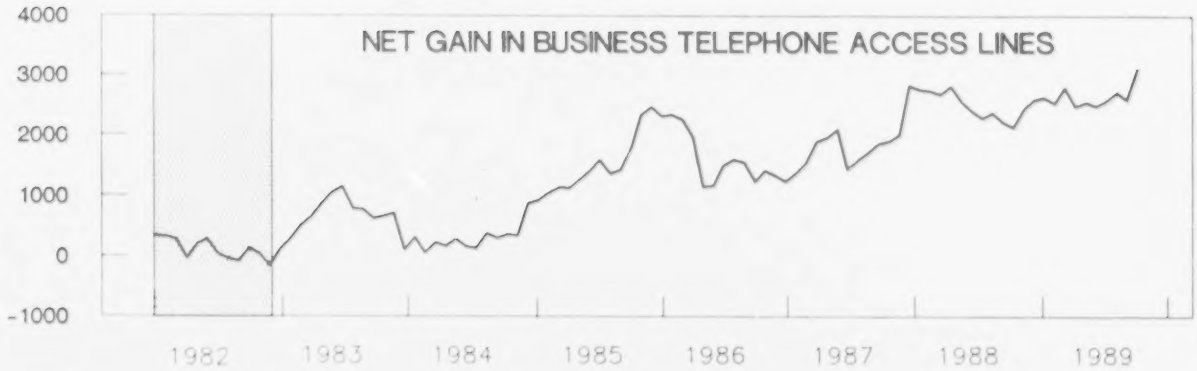
All plans for remodeling or for new structures of commercial and industrial buildings must be examined and approved by the state's Department of Industry, Labor and Human Relations. Capital expenditures for new structures are counted, which, in turn, foreshadows employment growth. The number of plans examined in 1989 are at about the level of the previous two years. The past three years' number of plans examinations are the top three years since 1975.

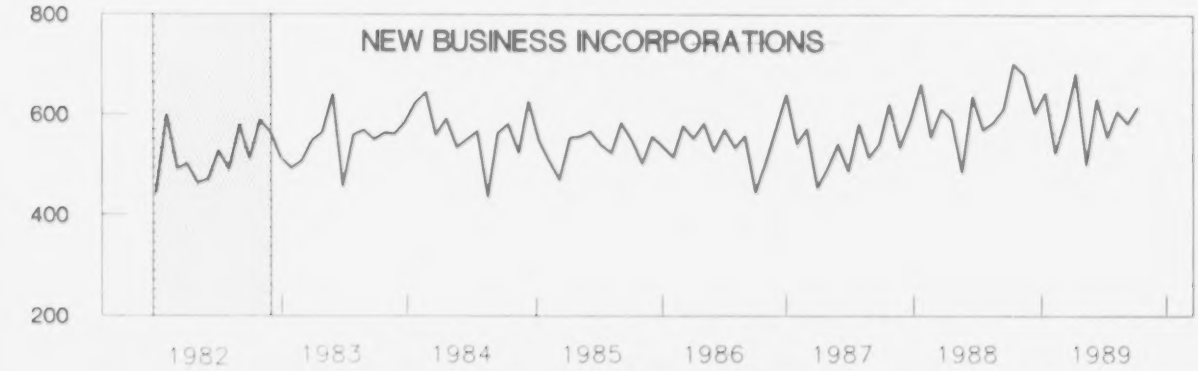
No single leading indicator is infallible as a predictor of economic change. In the real world of economic activity, business does not always conform to economic theory. The accuracy of economic predictors can be enhanced if, instead of relying on a single indicator, we combine several into a single number - a composite. That is just what both federal and state economic analysts do. The Composite Index of Leading Indicators is the result. The Wisconsin index is based on the value of its leading indicators during each month of 1979. That year's average is set at 100 and the economic situation in subsequent months is evaluated on whether it is below or above. Steady growth from month to month is the key indication of economic growth.

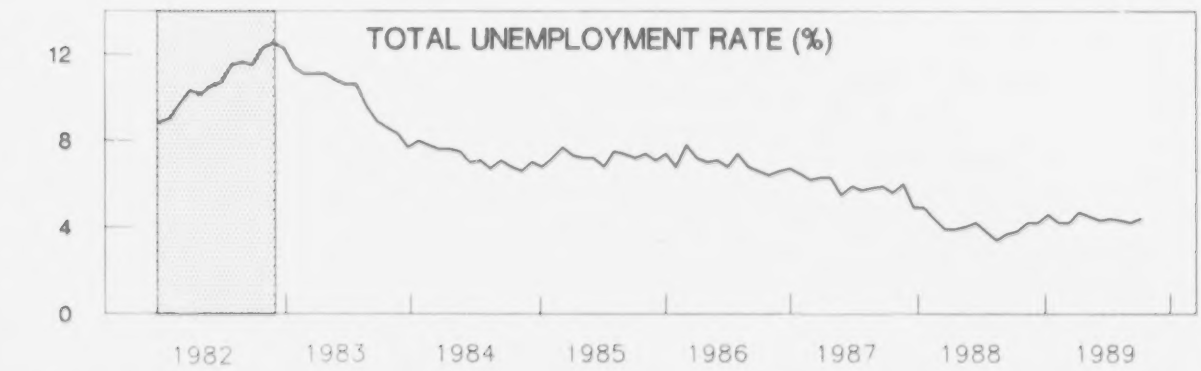
D CYCLICAL INDICATORS



D CYCLICAL INDICATORS







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